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National Intelligence Bulletin

State Dept. review completed

DIA review(s) completed.

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November 17, 1975

No. 669

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Approved For Release 2007/02/08 : CIA-RDP79T00975A028300010028-7

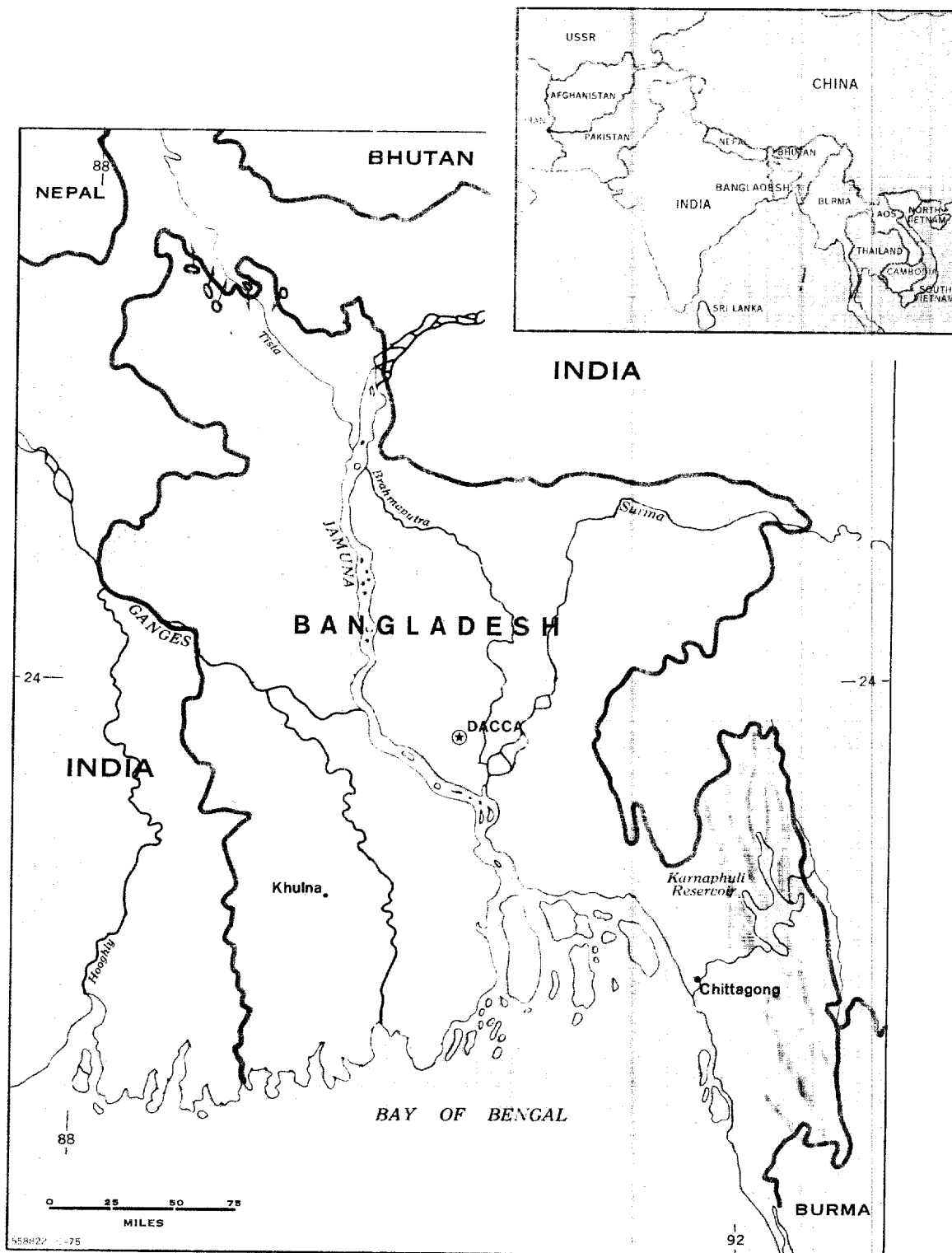
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BANGLADESH

Unrest in the military and mutinies in several locations contributed to a general sense of uneasiness in Bangladesh over the weekend.

A mutiny which began last Thursday at the key Chittagong naval base was reportedly overcome, but the status of mutinies in the armed forces reported Friday in several northern districts is unclear. The US embassy in Dacca reported a new trouble spot, the town of Khulna, where sailors have mutinied. Dacca appeared quiet, but military officers anticipated more trouble there from enlisted men who mutinied a week ago.

General Zia's regime continued to try to bring the unrest under control. New martial law regulations announced Saturday call for the death penalty for inciting mutiny in the armed forces. One of Zia's fellow deputy martial law administrators, navy chief of staff Commodore Khan, reportedly flew to Chittagong Friday to negotiate with the enlisted men involved in the mutiny there.

Zia himself apparently made at least one trip out of Dacca last week to talk to a restive military unit. Zia and Khan both have made speeches on radio calling for discipline and national unity. Politicians supporting the Zia regime, such as former president Mushtaque, are said to be discussing ways to counter the activities of the left-wing National Socialist Party, which has instigated some of the unrest among enlisted men.

The commander of Indian army forces in eastern India, General Jacob, told the US consul general in Calcutta Friday that Indian forces have not been involved in any incidents along the border with Bangladesh during this month's upheavals.

[REDACTED] Bangladesh army forces, he insisted, were fighting their own people, not Indians.

Jacob claimed India would not intervene in Bangladesh, regardless of the political complexion of the regime there, unless Bangladesh's Hindu minority was being mistreated.

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PORTUGAL

More than 20,000 Communists and their allies marched through the streets of Lisbon last night, but they dispersed peacefully with no sign of the "insurrection" predicted by the Socialists and Popular Democrats.

At the rally, the Communists used the "speculative fears" of the anti-Communist parties to play up their "firm resolve to advance toward socialism." Despite calls from the crowd for the overthrow of Prime Minister Azevedo and the return of pro-Communist former prime minister Goncalves, most Communists are probably willing to settle for a government shakeup that would return Communist sympathizers to advantageous positions in the cabinet and in the all-military Revolutionary Council. In this way, the party can avoid the right-wing backlash that would almost certainly follow a Communist-led coup attempt.

One speaker at the rally declared, "We didn't come here to assault the government, but to demand a transfer of power." Party leader Cunhal, who began an East European tour Saturday, responded to Socialist and Popular Democratic charges in Hungary, insisting that the Communists do not plan to take power by force.

In contrast, a rival demonstration in the northern town of Viseu to show support for the Azevedo government was marred by dissension between the major democratic parties. Socialist leader Soares pulled his party out of the rally at the last minute. Soares charged that the center-left Popular Democrats were trying to use the gathering for partisan purposes by insisting that party head Sa Carneiro—who holds no government position—speak at the rally. The Socialists are wary of becoming too close to the Popular Democrats and losing part of their base of support, either to the left or to the right.

A crowd of 15,000 turned out in Viseu despite the Socialist boycott. Labor Minister Tomas Rosa spoke for Prime Minister Azevedo, who remained in Lisbon to rest up after the 36-hour siege of his residence last week by construction workers. Tomas Rosa condemned the workers' strike and promised the crowd that "the government will not give way" to the workers, who are being manipulated by politically motivated leaders.

There is some evidence to support Tomas Rosa's hint that the government may be able to save some face by not granting all the workers' demands. Azevedo reportedly told Popular Democratic leaders that no overall agreement was reached in the negotiations, although the pro-Communist press has played the incident as a total victory. The government did temporarily accept the union's proposed wage scale—an average increase of 28 percent—but demands for improved working conditions and an inquiry into the Labor Ministry are still open to question.

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Meanwhile, increased left-wing activity in Lisbon is once again having an impact in the Azores. The six-man regional junta issued a communique on Saturday demanding that mainland security troops support the government. The junta warned that if the present indiscipline continues, the Azores will refuse to submit to a government in a "state of anarchy" and will reject any mainland government that does not represent the will of the majority. Secretary of State for Information Ferreira da Cunha—who is in the Azores to escape left-wing pressure for him to resign—telephoned Ambassador Carlucci to report that he helped draft the document.

Appeals for military discipline are unlikely to be effective, however, so long as General Carvalho is in a position of influence. The removal of Carvalho as commander of the Lisbon military region and his replacement by anti-Communist Captain Vasco Lourenco reportedly was discussed last Saturday at a meeting of the Revolutionary Council. A final decision on Carvalho's removal has been postponed.

Carvalho's ouster is being pushed by Foreign Minister Antunes' anti-Communist faction. Its success probably lies in the hands of President Costa Gomes, who has been hesitant to remove radical officers from high positions. Possibly to gain Costa Gomes' assent, the Antunes group may try to "kick Carvalho upstairs" to the position of vice chief of staff of the armed forces in order to remove him from direct contact with radical troops.

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CHINA

Peking has announced that, based on preliminary data, China's grain harvest this year will be larger than that of 1974, which it characterized as "a high production year." Earlier, Peking had referred to the harvest in 1974 as a record.

In contrast with past years, no accolades were given to the provinces for achieving notable increases in grain production. The total value of agricultural output was said to have increased by 10 percent in eight provinces, and the increase was "considerable" in five others. Only 6 of the 13 are key agricultural areas.

We expect China's grain output to be up this year from the estimated 255 million tons produced in 1974, but the generally wary tone of Peking's announcement suggests the increase will be less than anticipated.

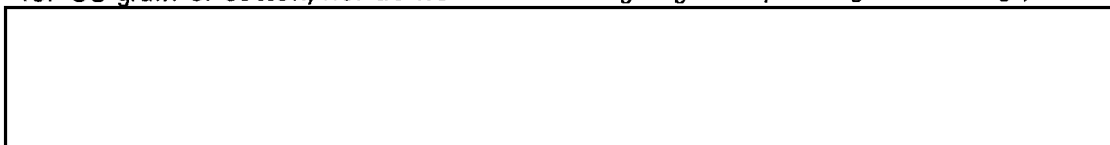
The summer harvest of wheat in northern China was exceptionally good. The outlook for fall-harvested grains in the region was also favorable. The omission of Hopeh, Honan, and Anhwei—all key areas—from Peking's list of provinces expecting improved harvests this year indicates that production was reduced by late summer flooding. In southern China, rice did not do particularly well because of rainy, cloudy weather through most of the growing season.

China's grain import requirements next year should be about the same as in 1975—some 4 million tons. Canada and Australia are China's main suppliers and with Argentina accounted for all of China's imports in 1975. China has an agreement to purchase from 2.5 million to 4.8 million tons of grain in 1976 under a three-year agreement with Canada and Australia.

Peking made no claims for the output of industrial crops—cotton, oilseeds, sugar, and tobacco—merely reporting that harvests were completed despite drought and flooding.

Damp weather retarded the growth of cotton, and output was probably under the record harvest in 1974. Since the decline in domestic cotton production comes at a time of weak export demand for China's cotton textiles, we do not expect an appreciable increase in Chinese cotton imports. China has no contracts outstanding for US grain or cotton, nor do we foresee the signing of any during the coming year.

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SOUTH KOREA

In the midst of final lobbying for the vote expected soon on the Korean question in the UN General Assembly, President Pak has reportedly decided not to get involved in such efforts in the future.

The decision was probably prompted in large part by Pak's realization that he stands little chance of gaining additional support for Seoul's position. South Korean support in the General Assembly has been steadily eroded by an aggressive North Korean diplomatic campaign, especially among the nonaligned countries. Pak believes that his political resources can be more productively used to cement relations with allies and perhaps develop new ties based on mutual interest.

Pak presumably also envisions a plan to remove the issue of the UN command from consideration by the UN General Assembly. Even if the UN command is terminated, however, Pyongyang probably will find other ways for bringing Korean issues before the UN in order to bring pressure against Seoul and the US presence in Korea.

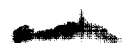
FOR THE RECORD

FRANCE: Economy moves notwithstanding, France continues to maintain forces in the Indian Ocean. The helicopter carrier/training ship Jeanne d'Arc and the destroyer Forbin are expected to arrive in the area on December 4 to relieve a guided-missile destroyer and a destroyer that have been on station since July. The carrier was probably tagged for Indian Ocean duty in a dual role of training as well as maintaining a French presence in the area. French interest in the Indian Ocean will likely remain high because of its importance as a Middle East oil route, the recent reopening of the Suez Canal, and the continuing Soviet presence in the area.

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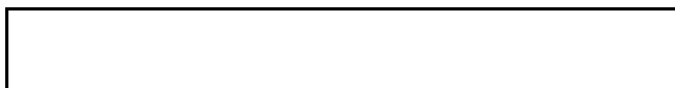
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